

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 97-494-C - ORDER NO. 98-206
MARCH 18, 1998

IN RE: Application of Georgia National Acceptance) ORDER
Corp. DBA First Tel for a Certificate of) APPROVING
Public Convenience and Necessity to Provide) CERTIFICATE
Intrastate Resold Interexchange)
Telecommunications Services within the State)
of South Carolina.)

This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of the Application of Georgia National Acceptance Corporation d/b/a First Tel ("First Tel" or the "Company") requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of intrastate interexchange telecommunications services in the State of South Carolina. The Company's Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1997) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed First Tel to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of First Tel's Application and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. First Tel complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. No Petitions to Intervene or letters of protest were received concerning First Tel's Application.

First Tel filed a Motion to Waive Hearing. In support of its motion, First Tel stated (1) that it had published the prepared Notice of Filing as required and that no one had intervened in this Docket; (2) that First Tel had appeared before the Commission on October 30, 1997, in an application to receive a Certificate of Public Convenience and Necessity to provide local services and that the Commission had approved the local Certificate; and (3) that the members of the Commission had the opportunity at the October 30, 1997 hearing to ask questions regarding First Tel's provision of long distance services. Further, First Tel submitted verified testimony in the instant Docket.

Upon consideration of First Tel's Motion to Waive Hearing, the Commission finds and concludes that the Motion should be granted as to a formal hearing. First Tel has appeared before the Commission recently for a Certificate to provide local service. During that proceeding, First Tel was granted a Certificate to provide local service. The witness for First Tel answered the questions presented by the Commission Staff and by the Commission. Further, First Tel indicated at that hearing that it would be seeking long distance authority in the near future, and the witness answered questions from his counsel and from Staff Counsel regarding long distance services. As First Tel has just recently appeared before the Commission to discuss its ability to provide local telecommunications services within South Carolina, has submitted verified testimony with its Motion to Waive Hearing in the instant proceeding, and as there are no intervenors objecting to the instant Application, the Commission believes that waiving of a formal hearing is in order. The Commission will consider the instant Application in the

context of the Commission meeting, with a court reporter present to record the proceeding.

A. J. Connell, President and Treasurer of First Tel, submitted verified testimony in support of First Tel's Application. The record reveals that First Tel is a corporation organized under the laws of the State of Georgia and is authorized to transact business in the State of South Carolina by the South Carolina Secretary of State. The record reveals the Company's services and operations.

Mr. Connell also explained that First Tel possesses the technical, financial and managerial abilities to provide its services in South Carolina. Mr. Connell testified in the October 30, 1997, proceeding that First Tel would operate in accordance with the Commission rules, regulations, guidelines, and Commission Orders. Finally, Mr. Connell offered that approval of First Tel's application is in the public interest. Counsel for First Tel indicated that the Company would make revisions to its tariff as suggested by the Commission Staff.

After full consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. First Tel is organized as a corporation under the laws of the State of Georgia and is authorized to transact business in the State of South Carolina by the South Carolina Secretary of State.

2. First Tel operates as a non-facilities based reseller of interexchange services and wishes to provide its services in South Carolina.

3. First Tel has the experience, capability, and financial resources to provide the services as described in its Application.

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to First Tel to provide intrastate interLATA service and to originate and terminate toll traffic within the same LATA, as set forth herein, through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. The Commission adopts a rate design for First Tel for its resale services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. First Tel shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. First Tel shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public

notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1997).

4. If it has not already done so by the date of issuance of this Order, First Tel shall file its revised maximum tariff and an accompanying price list within thirty (30) days of receipt of this Order. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

5. First Tel is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

6. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

7. First Tel shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If First Tel changes underlying carriers, it shall notify the Commission in writing.

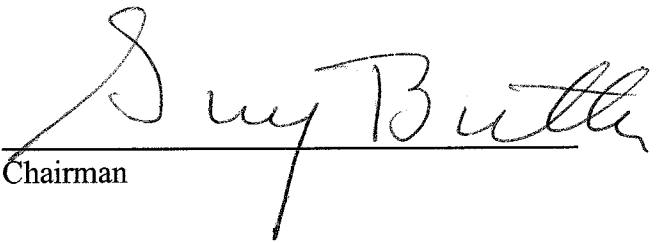
8. With regard to the origination and termination of toll calls within the same LATA, First Tel shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993).

9. First Tel shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

10. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. First Tel shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. Attachment B shall be utilized for the provision of this information to the Commission. Further, the Company shall promptly notify the Commission in writing if the representatives are replaced, and the Company is directed to comply with the Commission regulations unless waived by the Commission.

11. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Deputy Executive Director

(SEAL)

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS FOR INTEREXCHANGE COMPANIES AND AOS'S

COMPANY NAME

FEI NO.

ADDRESS

CITY, STATE, ZIP CODE

PHONE NUMBER

- (1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.
- (2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.
- (3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS* FOR
12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.
- * THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION WORK IN
PROGRESS, ACCUMULATED DEFERRED INCOME TAX, CONTRIBUTIONS IN AID OF
CONSTRUCTION AND CUSTOMER DEPOSITS.
- (4) PARENT'S CAPITAL STRUCTURE* AT DECEMBER 31 OR FISCAL YEAR ENDING
_____.
- * THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION
PAYABLE), PREFERRED STOCK AND COMMON EQUITY.
- (5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.
- (6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE AMOUNT
OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL AS
METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3
ABOVE).

SIGNATURE

NAME (PLEASE TYPE OF PRINT)

TITLE

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ATTACHMENT B

**INFORMATION OF THE AUTHORIZED UTILITY
REPRESENTATIVES FOR INTEREXCHANGE, LOCAL
AND AOS COMPANIES**

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION
REGULATION 103-612.2.4(b), each utility shall file and maintain with the Commission
the name, title, address, and telephone number of the persons who should be contacted in
connection with Customer Relations/Complaints.

Company Name/DBA Name

Business Address

City, State, Zip Code

Authorized Utility Representative (Please Print or Type)

Telephone Number

Fax Number

E-Mail Address

This form was completed by Signature

If you have any questions, contact the Consumer Services Department at 803-737-5230